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C O N F I D E N T I A L SECTION 01 OF 02 HONG KONG 000069

SIPDIS

DEPT FOR EAP/CM,

E.O. 12958: DECL: 03/03/2034

TAGS: PGOV PREL CH HK

SUBJECT: HONG KONG ANALYSTS' VIEWS ON CHINESE LEADERSHIP,  
18TH PARTY CONGRESS

REF: A. HONG KONG 1877

1B. BEIJING 3128

1C. GUANGZHOU 677

Classified By: Acting Consul General Christopher Marut for reasons 1.4  
(B,D).

11. (C) Summary: China analysts in Hong Kong saw the PRC's provincial leadership reshuffle announced November 30 as a possible preview of the two top contenders for China's sixth generation leadership. They contended Hu Chunhua and Sun Zhengcai, both 46, have a good chance of joining the Politburo at the 18th Party Congress in 2012, with one analyst suggesting Hu could even be elevated into the Politburo Standing Committee (PBSC). Current Politburo members tipped for promotion to the PBSC include party secretaries Wang Yang (Guangdong) and Bo Xilai (Chongqing), State Councilor Liu Yandong, Li Yuanchao, and Vice-Premier Wang Qishan. One analyst suggested party secretaries Yu Zhengsheng (Shanghai) and Zhang Gaoli (Tianjin) could emerge as surprise contenders for the coveted PBSC seats. Analysts believed Hu Jintao aspired to stay on as chairman of the Central Military Commission beyond 2012. One observer ventured Hu may remain party secretary beyond 2012 if he could reach a compromise with former party boss and still influential Jiang Zemin. End Summary

12. (C) We recently met with the following Hong Kong-based China watchers to discuss their perspectives on the provincial leadership reshuffle announced November 30 and its significance for the 2012 Party Congress: City University (City U) political science professor Joseph Yu-shek Cheng, Chinese University (CUHK) professor and veteran China-watcher Willy Wo-lap Lam, and local political commentators Frank Ching and Johnny Lau.

Young Guns on the Rise

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13. (C) The Chinese central government on November 30 announced a major reshuffle of provincial leaders that saw several younger officials loyal to President Hu Jintao promoted to key provincial posts. Seen by many observers as the first phase of maneuvering for the next Party Congress in 2012, the promotions may also have provided a preview of the two top contenders to lead the sixth generation expected to take the helm in 2022. At 46, Hu Chunhua and Sun Zhengcai became two of the youngest provincial party secretaries in several decades. While the two have taken very different paths to reach their new status -- Hu with work in Tibet and Hebei and Sun exclusively in Beijing -- several of our contacts believed each had advantages that made him a viable candidate for China's top job.

14. (C) Having spent most of his career in Tibet and later as first secretary of the Communist Youth League -- making him part of President Hu's powerful tuanpai faction -- Hu

Chunhua, CUHK's Lam contended, has checked several of the necessary boxes for further promotion. Despite being governor of Hebei when tainted milk was first discovered to have killed several children and made 300,000 ill, Lam noted Hu emerged largely unscathed, a sign that Hu has strong support from influential leaders. Lam saw the assignment in low-profile Inner Mongolia as a safe posting that should allow Hu to further demonstrate his leadership capabilities with little fear of major scandals erupting. City U's Cheng noted Hu was given a "chance to shine" as the leader of one of China's higher-performing provinces. (Note: Inner Mongolia has experienced double-digit growth since 2000, with its 2009 GDP growth forecast of 13 percent the highest among the provinces, except for Shanxi who shared the 13 percent forecast. End Note) Despite these apparent advantages, both cautioned against prematurely anointing Hu as the leader of the sixth generation. Chinese politics was a game of negotiation that could produce unexpected results, they warned, and 2022 was far away.

¶ 15. (C) In contrast to Hu's broad provincial experience, Sun Zhengcai has only worked in Beijing. He served in several municipal positions before becoming Minister of Agriculture in 2006. Although considered a protégé of Politburo Standing Committee (PBSC) member and Chairman of the Chinese People's Political Consultative Conference (CPPCC) Jia Qinglin, our contacts saw Sun's promotion to be due more to his agricultural expertise than to his connections. Lam suggested Sun's reputation as a capable agricultural technocrat meshed well with the current leadership's emphasis on developing the countryside.

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Fast Forward: 18th Party Congress

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¶ 16. (C) Looking ahead to the 18th Party Congress in 2012, several analysts saw room for the young Hu and Sun to join the Politburo, the Party's all-powerful decision-making body. With at least five and possibly up to seven of the current nine PBSC seats up for grabs in 2012, Lam ventured Hu might even have a shot at becoming one of the elite PBSC members. None of the contacts, however, saw the same possibility for Sun. Johnny Lau cautioned that there was still a group of fifth generation cadres in their early sixties who could not be passed over, meaning Hu and other sixth generation hopefults may have to wait until 2017 for their turn.

¶ 17. (C) With Xi Jinping and Li Keqiang the only two current PBSC members seen as certain to remain on the PBSC after 2012, analysts offered varying predictions on other candidates for the remaining seats. All agreed Guangdong party secretary Wang Yang should get a seat. Lau suggested Wang might get appointed as a state councilor while Cheng saw Wang as possibly aiming for a vice-premiership. All but Lam believed Chongqing party secretary and former commerce minister Bo Xilai, reckoned as a member of the "princeling" faction because of his party-elder father, would ascend to the center of power. Noting Bo may be seen as too aggressive and outspoken by some leaders, Lam assessed Bo as having a "50-50" chance.

¶ 18. (C) Other current Politburo members our contacts judged to be strong contenders for the PBSC included tuanpai members Liu Yandong and Li Yuanchao. Lam suggested Liu, now a state councilor, may replace CPPCC chairman Jia Qinglin while Lau thought it was more likely she would become a vice-premier. Li, currently the head of the party's powerful Central Committee Organization Department, is seen as close to President Hu but is also known to work well with other factions. Several contacts also assessed vice-premier Wang Qishan as having a good chance of getting on the PBSC due to his expertise in economic and financial matters. City U's Cheng ventured prominent party secretaries Yu Zhengsheng in

Shanghai and Zhang Gaoli in Tianjin could emerge as "dark horse" contenders for the coveted seats.

Hu Jintao to Retire in 2012 or Will He?

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¶ 9. (C) All except one contact believed Hu Jintao would remain as Chairman of the Central Military Commission (CMC) beyond 2012 when he was expected to relinquish his other two titles of General Secretary of the Communist Party and state president. CUHK's Lam cast Xi Jinping's not being appointed CMC vice chairman at the Fourth Plenum in late September as a strong signal Hu did not plan to retire from the CMC. City U's Cheng maintained that many of Hu's military protgs would like to see Hu stay on at CMC so he could continue to move them up the ranks. Having only taken over the CMC from Jiang Zemin in 2004, Hu likely felt he hadn't had enough time to get his protgs into key positions in the military hierarchy, Lau thought. Until recently, Jiang's still considerable influence over military promotions hindered Hu's efforts to promote those loyal to him.

¶ 10. (C) Lau went as far as to suggest Hu Jintao may even stay on as party secretary for a few years beyond 2012 in exchange for placing more of Jiang's protgs onto the PBSC and Politburo. Lau pointed specifically to Zeng Wei, son of Jiang ally and former vice-president Zeng Qinghong, as someone Jiang would like to see in the Politburo. Jiang hoped that by having his followers in power, he could continue to protect his son Jiang Mianheng who has been implicated in several corruption scandals in Shanghai, explained Lau. Frank Ching, however, maintained the leadership would want to project an image of stability so the transfer of power from Hu to Xi should proceed smoothly.

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